



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB1474

Introduced 2/20/2015, by Sen. William R. Haine

SYNOPSIS AS INTRODUCED:

New Act

Creates the Health Care Professional and Provider Notification of Patients in Health Insurance Exchange Grace Period Act. Provides that when a health care professional or provider or a representative of the health care professional or provider requests information from a QHP issuer regarding (i) an enrollee's eligibility, (ii) an enrollee's coverage or health plan benefits, or (iii) the status of a claim or claims for services provided to an enrollee, or reports a claim in a remittance advice, and the request or service is for a date within the second or third month of a grace period, the QHP issuer shall clearly identify that the applicable enrollee is in the grace period and provide additional information. Provides that if the QHP issuer informs the health care professional or provider or a representative of the health care professional or provider that the enrollee is eligible for services, and does not inform the health care professional or provider that the enrollee is in the grace period, that determination shall be binding on the QHP issuer, and the claim or claims for services rendered shall be paid by the QHP issuer. Requires QHP issuers to maintain a hotline for questions from a health care professional or provider. Requires that QHP issuers seeking to recoup claims made during the last 60 days of the grace period must commence such recovery or recoupment efforts no later than 60 days after the expiration of the grace period. Provides that the Director of Insurance shall investigate all complaints of violations of the Act. Provides that the Director shall issue cease and desist orders to any QHP issuers found to be in violation of the Act. Provides that failure to comply with a cease and desist order shall result in fines of \$1,000 for each violation, and each day the QHP issuer is in violation of the Act is a separate offense. Effective immediately.

LRB099 06207 MLM 26272 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Health
5 Care Professional and Provider Notification of Patients in
6 Health Insurance Exchange Grace Period Act.

7 Section 5. Purpose. The General Assembly hereby finds that:

8 (1) the federal Patient Protection and Affordable Care
9 Act provides that, for enrollees who receive an Advance
10 Premium Tax Credit, if they fail to pay their premiums,
11 they may remain eligible for services for 90 days;

12 (2) this 90-day grace period is provided for in 45 CFR
13 156.270(d);

14 (3) for the first month of the grace period, the PPACA
15 requires that Qualified Health Plan or QHP issuers pay
16 health care professionals or providers for services
17 rendered to enrollees;

18 (4) for the second and third months of the grace
19 period, the QHP issuer may pend claim or claims for
20 services rendered;

21 (5) if the enrollee fails to pay his or her outstanding
22 premium before the end of the grace period, the QHP issuer
23 may deny the claim or claims for services rendered to the

1 enrollee during the second and third months of the grace
2 period;

3 (6) if a QHP issuer denies the claim or claims for
4 services rendered, this will create a financial burden on
5 health care professionals and providers as well as a
6 disincentive for participating in the health care exchange
7 in our state;

8 (7) when a patient enters into the second and third
9 months of the grace period, the PPACA requires that QHP
10 issuers notify the enrollee's health care professional or
11 provider, but this notification requirement is vague and
12 does not indicate when such notification must be made; and

13 (8) unless health care professionals and providers are
14 notified as soon as possible that an enrollee has entered
15 into the second or third month of the grace period, health
16 care professionals and providers cannot anticipate or
17 mitigate the effect of claims denials and otherwise manage
18 the financial aspects of their practices.

19 Section 10. Definitions. For purposes of this Act:

20 "Director" means the Director of Insurance.

21 "Enrollee" means a qualified individual or qualified
22 employee enrolled in a QHP or other health insurance plan.

23 "Grace period" means a period that applies to recipients of
24 advance payments of the premium tax credit allowed for certain
25 individuals to purchase health insurance coverage on the

1 Exchange. The grace period provides 3 consecutive months of
2 eligibility for health care services to an enrollee when that
3 enrollee has paid at least one full month's premium during the
4 benefit year. The grace period begins when the enrollee fails
5 to pay the premium for a particular month.

6 "Health care professional or provider" means any
7 physician, hospital facility, facility licensed under the
8 Nursing Home Care Act, or other person that is licensed or
9 otherwise authorized to deliver health care services.

10 "Health insurance exchange" or "Exchange" means a
11 governmental agency or non-profit entity that meets the
12 applicable standards of the PPACA and makes QHPs available to
13 qualified individuals and qualified employers.

14 "PPACA" means the federal Patient Protection and
15 Affordable Care Act.

16 "Qualified health plan" or "QHP" means a health insurance
17 plan that has in effect a certification that the health
18 insurance plan meets applicable State or federal standards, or
19 both, required for participation in a health insurance
20 exchange. These may include minimum standards for essential
21 health benefits, deductibles, copayments, out-of-pocket
22 maximum amounts, and other requirements.

23 "Qualified health plan issuer" or "QHP issuer" means a
24 health insurance issuer that offers a QHP in accordance with a
25 certification from an exchange.

1 Section 15. Notice requirements.

2 (a) Timing of notice to health care professional or
3 provider of grace period status.

4 (1) When a health care professional or provider or a
5 representative of the health care professional or provider
6 requests information from a QHP issuer regarding (i) an
7 enrollee's eligibility, (ii) an enrollee's coverage or
8 health plan benefits, or (iii) the status of a claim or
9 claims for services provided to an enrollee, or reports a
10 claim in a remittance advice, and the request or service is
11 for a date within the second or third month of a grace
12 period, the QHP issuer shall clearly identify that the
13 applicable enrollee is in the grace period and provide
14 information as required by subsection (c) of this Section.

15 (2) The QHP issuer must provide this notice through the
16 same medium through which the health care professional or
17 provider or representative sought information from the QHP
18 issuer concerning the enrollee's eligibility, coverage or
19 health plan benefits, or related claims status, or normally
20 receives claim remittance advice information.

21 (3) The information provided about the enrollee's
22 grace period status shall be binding on the QHP pursuant to
23 this Act.

24 (4) The Department of Insurance shall provide specific
25 technical guidance governing these notice requirements
26 within 60 days after the effective date of this Act.

1 (b) Specific notice requirements.

2 (1) If the QHP issuer informs the health care
3 professional or provider or a representative of the health
4 care professional or provider that the enrollee is eligible
5 for services, and does not inform the health care
6 professional or provider that the enrollee is in the grace
7 period, that determination shall be binding on the QHP
8 issuer, and the claim or claims for services rendered shall
9 be paid by the QHP issuer.

10 (2) This binding determination shall further preclude
11 the QHP issuer from seeking to recoup payment from the
12 health care professional or provider.

13 (3) If the QHP informs the health care professional or
14 provider that the enrollee is in the grace period, then the
15 QHP issuer must provide notification pursuant to
16 subsection (c) of this Section.

17 (c) Contents of notice. The notice to the health care
18 professional or provider shall include, but not be limited to,
19 the following:

20 (1) the purpose of the notice;

21 (2) the enrollee's full legal name and any unique
22 numbers identifying the enrollee;

23 (3) the name of the QHP;

24 (4) the QHP's unique health plan identifier;

25 (5) the name of the QHP issuer; and

26 (6) the specific date upon which the grace period for

1 the enrollee began and the specific date upon which the
2 grace period will expire.

3 (d) The QHP issuer shall include in a conspicuous manner on
4 the Exchange's and the QHP's website, an explanation of the
5 action the QHP issuer intends to take, both during the grace
6 period and upon the grace period's exhaustion, for the enrollee
7 and the health care professional or provider, including further
8 options for the health care professional or provider. This
9 shall include:

10 (1) whether the QHP issuer will pend any claims of the
11 health care professional or provider for services that the
12 health care professional or provider furnishes to the
13 enrollee during the grace period;

14 (2) a statement indicating that, should the QHP issuer
15 indicate that it will pay some or all of the claims for
16 services provided to an enrollee during the grace period,
17 whether and how the QHP issuer will seek to recoup claims
18 payments made to health care professionals or providers for
19 services furnished during the grace period.

20 Section 20. Health care professional/provider assistance
21 hotline. The QHP issuer must make available a health care
22 professional/provider assistance hotline that is staffed by
23 qualified personnel who are available within 24 hours to speak
24 directly with the health care professional or provider, or the
25 health care professional's or provider's representative. Staff

1 must be available from at least 8:00 a.m. to 5:00 p.m. on
2 weekdays and 8:00 a.m. to 12:00 p.m. on Saturdays.

3 Section 25. Strict compliance required. If the QHP issuer
4 fails to strictly comply with the requirements of this Act,
5 then the QHP issuer is obligated to pay for any and all claims
6 for services furnished by the health care professional or
7 provider to an enrollee during the time in which the enrollee
8 is in the grace period.

9 Section 30. Deadline for overpayment recoveries. If the QHP
10 issuer seeks to recoup or otherwise recover payments made to
11 the health care professional or provider for services the
12 health care professional or provider furnished to an enrollee
13 during the grace period, then the QHP issuer must commence such
14 recovery or recoupment efforts no later than 60 days after the
15 expiration of the grace period. Any attempts to recover these
16 payments that are commenced subsequent to this 60-day period
17 shall be null and void.

18 Section 35. Waiver prohibited. The provisions of this Act
19 may not be waived by contract, and any contractual arrangements
20 in conflict with the provisions of this Act or that purport to
21 waive any requirements of this Act are null and void.

22 Section 40. Injunction. Any health care professional or

1 provider may request an appropriate court of competent
2 jurisdiction to issue an injunction to enforce any provision of
3 this Act.

4 Section 45. Penalties. The Director shall investigate all
5 complaints of violations of this Act. The Director shall issue
6 a cease and desist order to any QHP issuers found to be in
7 violation of this Act. Failure to comply with a cease and
8 desist order shall automatically result in fines of \$1,000 for
9 each violation, and each day the QHP issuer is in violation of
10 this Act constitutes a separate offense.

11 Section 97. Severability. The provisions of this Act are
12 severable under Section 1.31 of the Statute on Statutes.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.